

**CLOSING PROTECTION LETTER
SINGLE TRANSACTION
IOWA TITLE GUARANTY**

Name of Addressee:
Street Address:
City/State/Zip Code:

Date:

Name of Iowa Title Guaranty Closer (the "ITG Closer"):

Transaction (the "Real Estate Transaction"):

Re: Closing Protection Letter

Dear _____,

In consideration of Your acceptance of this letter, Iowa Title Guaranty ("ITG"), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of the Real Estate Transaction conducted by the ITG Closer on or after the date of this letter, subject to the Conditions and Exclusions set forth below and provided:

- (A) ITG issues or is contractually obligated to issue an ITG Certificate for Your protection in connection with the closing of the Real Estate Transaction;
- (B) You are to be the (i) lender secured by the Guaranteed Mortgage or (ii) purchaser or lessee of the Title;
- (C) the aggregate of all Funds You transmit to the ITG Closer for the Real Estate Transaction does not exceed \$_____; and
- (D) Your loss is solely caused by:
 - 1. failure of the ITG Closer to comply with Your written closing instructions that relate to:
 - (a) the disbursement of Funds necessary to establish the status of the Title or the validity, enforceability, or priority of the lien of the Guaranteed Mortgage; or
 - (b) the obtaining of any document, specifically required by You, but only to the extent that the failure to obtain the document affects the status of the Title or the validity, enforceability, or priority of the lien of the Guaranteed Mortgage;
 - or
 - 2. fraud, theft, dishonesty, or misappropriation of the ITG Closer in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation relates to the status of the Title or to the validity, enforceability, or priority of the lien of the Guaranteed Mortgage.

COMMITMENT NO.: C-

VERIFICATION CODE:

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Conditions and Exclusions

1. Your transmittal of Funds or documents to the ITG Closer constitutes Your acceptance of this letter.
2. For purposes of this letter:
 - a. “Commitment” means ITG’s written contractual agreement to issue the Certificate.
 - b. “Funds” means the money received by the ITG Closer for the Real Estate Transaction.
 - c. “Certificate” or “Certificates” means the contract or contracts of guaranty, each in a form adopted by the American Land Title Association, issued or to be issued by ITG in connection with the closing of the Real Estate Transaction.
 - d. “You” or “Your” means the Addressee of this letter, the borrower if the Land is solely improved by a one-to-four family residence, and subject to all rights and defenses relating to a claim under this letter that ITG would have against the Addressee,
 - (i) the assignee of the Guaranteed Mortgage; and
 - (ii) the warehouse lender in connection with the Guaranteed Mortgage.
 - e. “Indebtedness,” “Guaranteed Mortgage,” “Land,” and “Title” have the same meaning given them in the Lender Form – Iowa Title Guaranty Certificate [American Land Title Association Loan Policy (06-17-06)].
3. ITG shall have no liability under this closing protection letter for loss arising out of:
 - a. failure of the ITG Closer to comply with Your closing instructions that require title protection inconsistent with that set forth in the Commitment. Your written closing instructions received and accepted by the ITG Closer after issuing the Commitment that require the removal, where allowed by Iowa law, rule, or regulation, of specific Schedule B Exceptions from Coverage or compliance with the requirements contained in the Commitment shall not be deemed to require inconsistent title guaranty protection;
 - b. loss or impairment of Your Funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except loss or impairment resulting from failure of the ITG Closer to comply with Your written closing instructions to deposit the Funds in a bank that You designated by name;
 - c. any constitutional or statutory lien or claim of lien that arises from services, labor, materials, or equipment, if any Funds are to be used for the purpose of construction, alteration, or renovation. This subsection does not affect the coverage, if any, as to any lien for services, labor, materials, or equipment afforded in the Certificate;
 - d. fraud, theft, misappropriation, dishonesty, or negligence of Your employee, agent, attorney, or broker;
 - e. Your settlement or release of any claim without ITG’s written consent;
 - f. any matters created, suffered, assumed, or agreed to or actually known by You;
 - g. Federal consumer financial law, as defined in 12 U.S.C. § 5481 (14), or other federal or state laws relating to truth-in-lending, a borrower’s ability to repay a loan, qualified mortgages, consumer protection, or predatory lending;
 - h. federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention;

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- i. the periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land relating to the Real Estate Transaction; or
 - j. the ITG Closer acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal Revenue Code.
4. If the closing is to be conducted by an ITG Closer, a Commitment must have been received by You prior to the transmittal of Your final closing instructions to the ITG Closer.
5. When ITG shall have indemnified You pursuant to this letter, it shall be subrogated to all rights and remedies You have against any person or property had You not been indemnified. ITG's liability for indemnification shall be reduced to the extent that You have impaired the value of this right of subrogation.
6. ITG's liability for loss under this letter shall not exceed the least of:
 - a. the amount of Your Funds;
 - b. ITG's liability under the Certificate at the time written notice of a claim is made under this letter;
 - c. the value of the lien of the Guaranteed Mortgage; or
 - d. the value of the Title guaranteed or to be guaranteed under the Certificate at the time written notice of a claim is made under this letter.
7. If You are not a purchaser, borrower, or lessee, You must hold the Indebtedness both at the time that ITG is notified of a claim pursuant to this letter and at the time that payment is made to make a claim for indemnification under this letter.
8. Payment to You or to the owner of the Indebtedness under the Certificate or Certificates or from any other source shall reduce liability under this letter by the same amount. Payment in accordance with the terms of this letter shall constitute a payment pursuant to the Conditions of the Certificate.
9. The ITG field issuer is ITG's agent only for the limited purpose of issuing Certificates. Neither the ITG field issuer nor the ITG Closer is ITG's agent for the purpose of providing closing or settlement services. ITG's liability for Your loss arising from closing or settlement services is strictly limited to the contractual protection expressly provided in this letter. Other than as expressly provided in this letter, ITG shall have no liability for loss resulting from the fraud, theft, dishonesty, misappropriation, or negligence of any party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction.
10. In no event shall ITG be liable for a loss if the written notice of a claim is not received by ITG within one year from the date of the transmittal of Funds. The condition that ITG must be provided with written notice under this provision shall not be excused by lack of prejudice to ITG.

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11. You must promptly send written notice of a claim under this letter to ITG at its principal office at 2015 Grand Avenue, Des Moines, IA 50312. If ITG is prejudiced by Your failure to provide prompt notice, ITG's liability to You under this letter shall be reduced to the extent of the prejudice.
12. ITG shall have no liability under this letter if:
 - a. the Real Estate Transaction has not closed within six months from the date of this letter; or
 - b. at any time after the date of this letter, but before the Real Estate Transaction closes, ITG provides written notice of termination of this letter to the Addressee at the address set forth above.
13. The protection of this letter extends only to real estate in Iowa, and any court shall apply Iowa law to interpret and enforce the terms of this letter. The court shall not apply its conflicts of law principles to determine the applicable law. Any litigation or other proceeding under this letter must be filed in the Iowa District Court for Polk County in Des Moines, Iowa. There shall be no right for any claim under this letter to be litigated on a class action basis.
14. ITG issues Commitments and Certificates pursuant to Iowa Code Section 16.91 and nothing in this Closing Protection Letter or Your written closing instructions or oral closing instructions shall create any liability or requirement for ITG or an ITG Closer as regards title coverage outside of the authority provided in Iowa Code Section 16.91, 16.93 and the rules promulgated there under.

This closing protection letter supersedes and cancels any previous letter or similar agreement for closing protection that applies to the Real Estate Transaction.

IOWA TITLE GUARANTY

By: _____
"Name", Iowa Title Guaranty Director

**2015 Grand Ave.
Des Moines, IA 50312
515-725-4900 or 800-432-7230
Fax: (515) 725-4901
www.IowaTitleGuaranty.gov**

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